

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: June 3, 2013
Presenter: Linda Basnight
Attachment: Yes

ITEM TITLE: Request for Refund 2012 Vehicle Tax \$ 104.00

SUMMARY: ** See Attached letter from Honda Lease Trust**
Taxes paid in both Iredell County and Hyde County. Vehicle actually belongs to Iredell County.

RECOMMEND: Discussion and approval.

Motion Made By: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Motion Seconded By: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Vote: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

ID- L1

TAX COLLECTION

DISPLAY TRANSACTIONS

TAX # - 8039706 NAME - HONDA LEASE TRUST

YR- 12 TICKET#- 13760

	DATE	ID	TAXES	MQ	SW	WQ	LATE	INT.	BALANCE
BEG									
LDM 45	1/29/13		104.00	.00	.00	.00	.00	.00	104.00
PCA 04	2/25/13	S4	104.00-	.00	.00	.00	.00	.00	104.00-
END			.00	.00	.00	.00	.00	.00	.00

PRESS CTRL-CONTINUE CK1-ANOTHER#

F2-SUMMARY F7-EOJ
F8-SWITCH FORMATS

Need to
refund
Honda Lease -
Billed & paid both in
Hyde Co & Inredell Co.
Belongs to Inredell Co.

1800 517 9678

**MOTOR VEHICLE MAINTENANCE
NOTICE OF CHANGE OF ADDRESS**

5/1/2013 2:24 PM

NAME & ADDR: HONDA LEASE TRUST

13856 BALLANTYUNE CORPORAT

CHARLOTTE NC 28277

YEAR: 2012 **MAKE:** HOND **MODEL:** CIVIC LX AUTO **BODY STYLE:** 4S
VEHICLE IDENTIFICATION NUMBER: 2HGFB2F57CH570355 **TAG:** BEP9524
TITLE: 770369123310764 **PLATE EXPIRATION DATE:** 11/30/2013

COUNTY FROM: HYDE
COUNTY TO: IREDELL

VEHICLE LOCATION:

SIGNATURE OF OWNER: PER OWNER REQUEST SEE FAX

Date: _____

MAV-1 FORM

The ownership and taxability of a registered vehicle according to G.S.105-330.2(a) is determined annually as of the day on which the current vehicle registration is renewed or application is made for a new registration.

Please sign, date these forms, and return to Iredell County Tax Assessor P.O. BOX 1027 Statesville, NC 28687 so that this vehicle can be billed in the correct county.

CERTIFICATION OF CHANGE OF COUNTY

I am the registered owner of the motor vehicle described above and I hereby certify that the change of address information as shown above is true and accurate. I hereby request the Iredell County Assessor to forward this information to the North Carolina Division of Motor Vehicles to correct its vehicle registration records to reflect the new address as shown above.

You can contact the Iredell County Tax Office at 704-878-3018

Martha Lambert
Motor Vehicle Specialist

HONDA

Financial Services

Customer Service Department

13856 BALLANTYNE CORP PL

Charlotte NC 28277

Phone: 800-517-9699 Ext: 3096

Fax: 800-248-7857

Facsimile Transmittal

To:	IREDELL CO	Fax:	704-871-3463
	ATTN: MARTHA		
From:	JACOLE IVEY	Date:	5/1/2013
Re:	VEHICLE REGISTRATION FOR PERSONAL PROPERTY TAX	Pages:	
NOTES	HYDE CO WILL NOT REFUND PERSONAL PROPERTY TAXES, UNTIL A BILL FROM IREDELL CO IS RECEIVED.		

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Comments: Please fax Personal Property Tax bill to: 800-248-7857

Thank you,

Jacole Ivey

This communication is CONFIDENTIAL and is intended only for the addressee(s) named above. If you are not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient(s), please note that any dissemination, distribution or copying of this communication is strictly prohibited. Anyone who receives this communication in error should notify the sender immediately by telephone and return the original message to the person sending at the address above via the U.S. Mail.

May 1, 2013 10:41:10 AM

VQ12 |529

GENERAL VEHICLE DETAIL

05/01/13 10:38:33

STATUS CURRENT TITLE, NOT HELD OD 000000008

TITLE 770369123310764

2012 HOND

CIVIC U.S. L 4S

2HGFB2F57CH570355

DEALER 0019577 FUEL G

ACT DT 112612 TITLE DT 102612 TRF DT 102612 APPL DT 112612 PRNT DT 121112Y

OWNER ID 000020094710 OWNERS 1 LIENS 1 EQUIP

TAX CNTY IREDE

Y HONDA LEASE TRUST - *called - will call back*
13856 BALLANTYNE CORPORAT
CHARLOTTE NC 282772711

LESSEE ID 000005786323 LESSEES 1 CONTROL 330370123317764

N JEFFREY LEE GROSS
133 WESTWARD RD
STONY POINT NC 286789453

*Billed
in Hyde
County -
Hyde will
need to agree
for Refund*

PLATE NO BEP9524 44758281

ISS DT 112612

EXP DT 113013

WEIGHT

FHVUT DT

CAT

PRIVATE AUTO

USE PASS DRAFT N

E27 - ERIE INSURANCE COMPANY

P# Q070708306

STATUS ACTIVE

03/11/2013

CERT DT 112612 CERT TYPE FR2

PF1/HELP

PF2/IMAGE

PF3/RETURN

PF4/

PF5/LESSEES

PF6/OWNERS

PF7/HOLD CD

PF8/

PF9/PRINT

PF10/DRAFTS

PF11/ADDINFO PF12/MENU

12-801589

Fax sent by : 3365266108

RITEAID11546

03-13-13 08:46 Pg: 2/2

STATE OF NORTH CAROLINA
REGISTRATION CARD

NC LIC NUMBER	PLT VALID THRU	INSPECTION DUE
3365266108	12/15/2013	11/10/2013
VEHICLE ID #	TITLE #	GROSS WT
2807257CH570355	330370123317764	EQUP #
MAKE/SERIES	STYLE	YEAR
2012	4S	2012
SHIPPING WEIGHT	VEHICLE BRAND	TOTAL FEE
		38.00
CLASSIFICATION	PRIVATE/PASS VEH	CUSTOMER ID # OWNER 2
		000005786323
		COUNTY
		LEEDE
JEFFREY LEE GROSS		
133 WESTWARD RD		
STORY POINT NC 28678-9453		

NC DIVISION OF MOTOR VEHICLES
RECEIPT OF FEES PAID

JEFFREY LEE GROSS

2012 HON
2807257CH570355
330370123317764
USD 03/11/2013 TIG0605

TOTAL .00

Please Print Name

B27 - FRIE INSURANCE COMPANY

INSURANCE COMPANY AUTHORIZED IN NC

0070708306

POLICY NUMBER

SIGNATURE



2807257CH570355

BE79524

IREDELL COUNTY
NORTH CAROLINA



TAX STATEMENT

PROPERTY TAX BILL

DATE: 05/01/2013

REMIT TO: IREDELL COUNTY TAX COLLECTOR
P.O. BOX 1027

STATESVILLE, NC 28687-1027

PHONE: 704-878-3018

Account: 201280158900

Name: HONDA LEASE TRUST
13856 BALLANTYUNE CORPORAT
CHARLOTTE NC 28277-2711

TAX BILL NUMBER	DSC/YR	TAXES	INTEREST	ADV/FEE	BALANCE
2012 801589		88.56			88.56
Original Levy: 88.56		Real Value: 0		Personal Value: 16,250	
Adjusted Values		Real Value: 0		Personal Value: 16,250	
Vin: 2HGFB2F57CH570355		Make/Model/Tag: HOND/CIVIC LX AUTO/BEP9524			
TOTAL AMOUNT DUE AS OF 05/01/2013					88.56

RELEASED TO IREDELL FROM HYDE COUNTY. DUE DATE: 05/01/2013 PAST DUE: 06/01/2013

PAYMENT AND MAILING INSTRUCTIONS:

- ~ Make check payable to Iredell County Tax Collector, P.O. Box 1027, Statesville, N.C. 28687.
- ~ Payment should be made by the due date on this notice. PLEASE WRITE THE TAX BILL NUMBER ON YOUR CHECK.
- ~ Property tax payments may now be made by phone or internet using MasterCard, VISA, Discover or American Express. To do so, please dial toll free 1-800-272-9829 or visit our website at www.co.iredell.nc.us. Jurisdiction code 4342. A convenience fee will be added if you choose to complete the transaction.

MOTOR VEHICLES:

- ~ A taxpayer may receive a refund or a prorated portion of taxes if:
 - A. The title is transferred to a new owner or a different state, and
 - B. The tag is surrendered to DMV (Form FS20 required)
- Request must be made within one (1) year from the date of transfer.
- ~ FAILURE to pay this bill will result in the Department of Motor Vehicles REFUSAL to allow you to renew your vehicle registration.
- ~ The value of this bill may be appealed to the County Assessor within thirty (30) days of the bill date.

PERSONAL PROPERTY:

- ~ The listing and appraisal of this property will become final unless written exception thereto is filed with the County Assessor within thirty (30) days of the date of this notice.

LATE PAYMENT:

- ~ Interest is applied per North Carolina General Statutes. Please forward payment prior to the past due date to avoid additional cost.

Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Meeting Date: June 3, 2013
Presenter: Linda Basnight
Attachment: Yes

ITEM TITLE: Delinquent Tax Collections

SUMMARY: Tax Administrator Linda Basnight will present update on delinquent tax collections.

RECOMMEND: Receive report.

Motion Made By: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Motion Seconded By: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Vote: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Meeting Date: June 3, 2013
Presenter: Bill Rich, County Manager
Attachment: Yes

ITEM TITLE: ABC BOARD AUDIT
HYDE COUNTY AUDIT UPDATE
AWARD AUDIT CONTRACT

SUMMARY: Attached please find:

1. Draft of FY2011-2012 ABC Audit
2. Correspondence regarding releasing all restrictions on Hyde County CDBG Grant funds

RECOMMEND: Receive report. County Manager Rich requests permission to award contract for the FY2012-2013 Hyde County Audit.

Motion Made By: ___ Barry Swindell
___ Dick Tunnell
___ Anson Byrd
___ John Fletcher
___ Earl Pugh, Jr.

Motion Seconded By: ___ Barry Swindell
___ Dick Tunnell
___ Anson Byrd
___ John Fletcher
___ Earl Pugh, Jr.

Vote: ___ Barry Swindell
___ Dick Tunnell
___ Anson Byrd
___ John Fletcher
___ Earl Pugh, Jr.

Lois Stotesberry

From: Victoria Gibbs <vickihydeabc@yahoo.com>
Sent: Thursday, May 30, 2013 2:26 PM
To: lstotesberry@hydecountync.gov; Keith Parker-Lowe
Subject: Hyde ABC Board Meeting Dates 2012-Current

Hi Lois,

I started part time in June 2012 and listed below are the dates of the Board Meetings from that time moving forward. Meetings are currently scheduled at 11 am via phone call between Ocracoke and Swan Quarter members.

7.18.12
8.16.13
9.18.12
10.18.12
11.19.12
12.13.12
1.17.13
2.27.13
3.26.13
4.26.13
5.22.13
5.31.13 Budget
6.10.13 Budget Acceptance/Board Meeting
7.18.13
8.22.13
9.19.13
10.17.13
11.21.13
12.19.13 Dates may change

Vicki Gibbs
General Manager
Hyde County ABC 130
252.926.6991 /252.475.0354
vickihydeabc@yahoo.com
hydecountyabc@embarqmail.com

Hyde Co ABC
Profit & Loss

July 2010 through May 2011

Ordinary Income/Expense	Jul '10 - May 11	Estimated 2012	Proposed Budget 2012-13	Increase
Income				
4000 • Sales				
4001 • Liquor Sales - Swan Quarter	147,616.07	\$ 178,000.00	\$ 300,000.00	68.54%
4002 • Liquor Sales - Ocracoke	200,522.87	\$ 360,000.00	\$ 450,000.00	28.57%
4005 • Mixed Beverage - Swan Quarter	49,295.14	\$ 49,295.00	\$ 45,000.00	8.71%
4006 • Mixed Beverage - Ocracoke	84,685.23	\$ 96,000.00	\$ 240,000.00	150.00%
Total 4000 • Sales	482,119.31	\$ 673,295.00	\$ 1,035,000.00	53.72%
4020 • Deduct taxes on gross sales				
4021 • State Excise Tax	31,332.50	\$ 47,520.00	\$ 67,500.00	42.05%
4022 • Rehabilitation tax County	1,169.56	\$ 22,615.98	\$ 34,765.65	3.3590%
4023 • Mixed Bev Tax - NCDR	9,186.12	\$ 17,753.44	\$ 27,290.88	2.6368%
4024 • Mixed Bev Tax - NCDHHS	500.98	\$ 9,688.72	\$ 14,893.65	1.4390%
Total 4020 • Deduct taxes on gross sales	42,189.06	\$ 97,578.14	\$ 144,450.18	48.04%
Total Income	439,930.25	\$ 575,716.86	\$ 890,549.82	54.69%
Cost of Goods Sold				
5000 • Cost of Goods Sold				
5001 • Cost of Liquor	303,119.14	\$ 460,937.76	\$ 609,670.41	68.46%
5002 • Baitment	4,085.10	\$ 6,732.95	\$ 8,905.50	1.00%
5003 • Surcharge	192.09	\$ 11,446.02	\$ 15,139.35	1.70%
Total 5000 • Cost of Goods Sold	307,396.33	\$ 479,116.72	\$ 633,715.25	32.27%
Total COGS	307,396.33	\$ 479,116.72	\$ 633,715.25	32.27%
Gross Profit	132,533.92	\$ 96,600.14	\$ 256,834.57	165.87%
Expense				
6000 • General Expenses				
6001 • Salary - Swan Quarter	20,391.45	\$ 20,391.45	\$ 15,000.00	26.44%
6000 • Salary - Ocracoke		0.00	\$ 15,000.00	
6003 • Wages - Swan Quarter	11,834.40	\$ 11,834.40	\$ 24,000.00	102.80%
6004 • Wages - Ocracoke	18,016.23	\$ 18,016.23	\$ 21,000.00	16.56%
6005 • Payroll Expenses	6,707.25	\$ 6,707.25	\$ 75,000.00	1018.19%
6010 • Group Insurance	4,770.72	\$ 4,770.72	\$ 5,300.00	11.09%
6020 • Insurance-General(R&W)	6,543.00	\$ 6,543.00	\$ 7,000.00	6.98%
6030 • Retirement fund	2,537.87	\$ 2,537.87	\$ 3,000.00	18.21%
6040 • Professional Service	6,108.81	\$ 6,108.81	\$ 6,500.00	6.40%
6050 • Alarm services	533.39	\$ 533.39	\$ 600.00	12.49%
6060 • Rent- Swan Quarter	2,750.00	\$ 2,750.00	\$ 3,000.00	9.09%
6061 • Rent-Ocracoke	3,500.00	\$ 3,500.00	\$ 6,500.00	86.71%
7090 • Telephone-Swan Quarter	1,727.21	\$ 1,727.21	\$ 2,000.00	15.79%

Hyde Co ABC
Profit & Loss

July 2010 through May 2011

	Jul '10 - May 11	Estimated 2012	Proposed Budget 2012-13	Increase
7091 · Telephone-Ocracoke	2,180.43	2,180.43	2,200.00	0.90%
7110 · Repairs And Maintenance	211.00	211.00	9,000.00	4165.40%
7120 · Electric Service	2,167.01	2,167.01	2,500.00	15.37%
7130 · Store Supplies	841.55	841.55	1,000.00	18.83%
7140 · Office Supplies	1,336.83	1,336.83	2,500.00	87.01%
7150 · Travel	107.67	107.67	2,500.00	2221.91%
7160 · Delivery	4,224.65	4,224.65	2,400.00	43.19%
7170 · Pest control	362.00	362.00	400.00	10.50%
7180 · Postage	17.60	17.60	500.00	2740.91%
7190 · Bank Fees- Swan Quarter	1,728.07	1,728.07	2,500.00	44.67%
7191 · Bank Fees - Ocracoke	2,880.87	2,880.87	3,500.00	21.49%
7200 · Miscellaneous	534.89	534.89	2,500.00	367.39%
7210 · Utilities Service -Swan Quarter	1,506.83	1,506.83	1,600.00	6.18%
7211 · Utilities Service - Ocracoke	560.50	560.50	600.00	7.05%
0000 - Debt Service Hyde County Note		0.00	3,000.00	
7212 - Renovations		0.00	2,000.00	
Total 6000 · General Expenses	104,080.23	104,080.23	222,600.00	113.87%
Total Expense	104,080.23	104,080.23	222,600.00	113.87%
Net Ordinary Income	28,453.69	-7,480.09	34,234.57	557.68%
Other Income/Expense				
Other Income				
8000 · Other Income				
8020 · Misc. Income	1,010.17	1,010.17	0	
8021 · Bank Interest	15.49	15.49	6	
8099 · Other Income	773.00	773.00		
Total 8000 · Other Income	1,798.66	1,798.66	6	
Total Other Income	1,798.66	1,798.66	6.00	
Other Expense				
7000 · Other Expenses				
9099 · Other Expense	6,694.74	6,694.74	0	
7050 · Depreciation Expense	1,560.00	1,560.00	0	
9000 · Penalties	569.13	569.13	0	
Total 7000 · Other Expenses	8,823.87	8,823.87	0	
Total Other Expense	8,823.87	8,823.87	0.00	
Net Other Income	-7,025.21	-7,025.21	6.00	
Net Income	21,428.48	-14,505.30	34,240.57	-42.36%

Hyde County ABC Board
PO Box 452
Ocracoke, NC 27960
252-928-3281

June 1, 2012

Mr. Mike Herring
North Carolina Alcoholic Beverage Control Commission
4307 Mail Service Center
Raleigh, NC 27699-4307

Subj: 2013 fiscal year budget for Hyde County ABC Board

Dear Mike

We have attached our budget for the July 1 2012 through June 30, 2013 fiscal year. As you know we faced an unusual set of natural events that had a dramatic effect on our plans for last fiscal year.

A major hurricane curtailed our business in mid August just before the second portion of our season started. We lost the weeks leading into Labor Day because of it and were forced to live without regular ferry service through the balance of the calendar year. Even with these unusual happenings we still managed to increase sales and make a profit for the first time in a number of years. This destroyed our cash flow but we were able to overcome this by following our plan we developed last spring. We ended the second half of the year with sales in excess of our forecast for the period.

Today we have the first solid financial picture in the history of the Hyde system. We have cash on hand and all bills are paid in advance. We have improved the staff and the overall professionalism of our system. We have an engaged board of successful business owners whose input lend great insight.

This year our primary goal is to improve the Swan Quarter store sales by converting it to self service and improving the appearance of that store. We want to return the lost sales to this store that went to neighboring self service stores.

Well our goals are great we know our budget is tied to these sales and our marketing concept. Being fiscally conservative helps understand that we must produce the sales before we spend money in our budget.

Additional expenses are related to the changes in the Swan Quarter store and are only available if we make those changes and we accomplish our forecast related to them.

We are certain our plan will work and is based on market information provided from North Carolina and similar states with counties like ours.

We see the major income and profit growth from the Swan Quarter Store but also recognize that Ocracoke sales continue grow exponentially at more than 23% per month and are expected to continue.

Thank you so much your assistance and patience with us during those critical periods.

Very truly yours

Andrew Spencer

Finance Officer and General Manager

DRAFT

**HYDE COUNTY ALCOHOLIC
BEVERAGE CONTROL BOARD**

FINANCIAL STATEMENTS

June 30, 2012 and 2011

BOARD MEMBERS

Keith Parker-Lowe, Chairman

Don Bachman

Glenda Williams

Hyde County Alcoholic Beverage Control Board
(A component unit of Hyde County)
Table of Contents
June 30, 2012 and 2011



INDEPENDENT AUDITORS' REPORT

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Management's Discussion and Analysis

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Basic Financial Statements

Exhibit

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Supplementary Information

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Schedule

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DRAFT

Independent Auditors' Report

Board of Directors
Hyde County Alcoholic Beverage Control Board
Swan Quarter, North Carolina

We have audited the accompanying financial statements of the Hyde County Alcoholic Beverage Control Board, a component unit of Hyde County, as of June 30, 2012, and for the year then ended, as listed in the table of contents. These basic financial statements are the responsibility of the Hyde County Alcoholic Beverage Control Board management. Our responsibility is to express an opinion on these basic financial statements based on our audits. The financial statements of the Hyde County Alcoholic Beverage Control Board as of June 30, 2011, were audited by other auditors whose report dated September 28, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Hyde County Alcoholic Beverage Control Board as of June 30, 2012, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on page 4 through 6, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hyde County Alcoholic Beverage Control Board's financial statements. The Schedule of Store Operating Expenses, Analysis of Income by Stores, and Schedule of Revenues and Expenditures – Budget and Actual are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Store Operating Expenses, Analysis of Income by Stores, and Schedule of Revenues and Expenditures – Budget and Actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Pittard Perry & Crone, Inc.
Belhaven, North Carolina
September 27, 2012

HYDE COUNTY ALCOHOLIC BEVERAGE CONTROL BOARD
(A component unit of Hyde County)

DRAFT

Management's Discussion and Analysis
Year Ended June 30, 2012

This section of the Hyde County Alcoholic Beverage Control (ABC) Board's (*the Board*) financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2012. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- Working capital increased by approximately 80.57% over the prior year.
- Income from operations decreased from the prior year due to increased cost of goods sold and operating expenses.

Overview of the Financial Statements

The audited financial statements of the Hyde County ABC Board consist of four components. They are as follows:

- *Management's Discussion and Analysis*
- *Basic Financial Statements*
- *Additional Information Required by the ABC Commission*
- *Supplementary Information*

The *Basic Financial Statements* are prepared using the full accrual basis of accounting. They consist of three statements. The first statement is the **Statement of Net Assets**. Assets and liabilities are classified between current and long-term. This statement provides a summary of the Board's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement.

The next statement is the **Statement of Revenues, Expenses, and Changes in Net Assets**. This statement is used in evaluating whether the Board has recovered all of its costs through sales. Its information is used in determining credit worthiness.

The final required statement is the **Statement of Cash Flows**. This statement reports cash inflows and outflows in the following categories: operating, investing, and financing activities. Based on this data, the user can determine the sources of cash, the uses of cash, and the change in cash.

The notes to the financial statements provide more detailed information and should be read in conjunction with the statements.

The ABC Commission requires some schedules in addition to the information required by generally accepted accounting principles. They include a **Schedule of Store Operating Expenses**, an **Analysis of Income by Stores** and a **Budget to Actual Reconciliation**.

Financial Analysis of the Hyde County ABC Board

Net assets are an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$32,886 in 2012. The largest component of net assets was current assets, which consists of cash and cash equivalents and inventories. It was 395.46% of total net assets. Following is a summary of the Statement of Net Assets:

Table 1
Condensed Statement of Net Assets

DRAFT

	June 30, 2012	June 30, 2011	June 30, 2010	\$ Change
Current assets	\$ 130,052	\$ 90,758	\$ 89,745	\$ 39,294
Non-current assets	3,886	5,918	6,275	(2,032)
Total assets	133,938	96,676	96,020	37,262
Current liabilities	101,052	76,767	80,412	24,285
Total liabilities	101,052	76,767	80,412	24,285
Invested in capital assets, net of related debt	3,886	5,918	6,275	(2,032)
Restricted net assets	29,000	16,060	14,416	12,940
Unrestricted net assets	-	(2,069)	(5,083)	2,069
Total net assets	\$ 32,886	\$ 19,909	\$ 15,608	\$ 12,977

Net assets increased by 65.18% from the prior year. Income from operations decreased by 18.37% over the prior year. Following is a summary of the changes in net assets:

Table 2
Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	June 30, 2012	June 30, 2011	June 30, 2010	\$ Change
Operating revenues	\$ 587,076	\$ 553,112	\$ 505,043	\$ 33,964
Less: Taxes on gross sales	140,145	135,627	130,209	4,518
Net sales	446,931	417,485	374,834	29,446
Cost of sales	296,444	287,231	280,160	9,213
Gross profit	150,487	130,254	94,674	20,233
Less: Operating expenses	140,594	118,135	124,873	22,459
Income from operations	9,893	12,119	(30,199)	(2,226)
Non-operating revenues & expenses	3,084	(7,818)	72,749	10,902
Change in net assets before distributions	12,977	4,301	42,550	8,676
Profit distributions to local municipalities	-	-	3,350	-
Net assets, beginning	19,909	15,608	(23,592)	4,301
Net assets, ending	\$ 32,886	\$ 19,909	\$ 15,608	\$ 12,977

Net sales increased by \$29,446. This sales increase was offset by an increase of \$9,213 in cost of sales and an increase in operating expenses of \$22,459.

Following is a breakdown of sales by source:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>\$ Change</u>
Retail liquor sales	\$ 559,235	\$ 383,923	\$ 394,413	\$ 175,312
Mixed beverage sales	27,841	169,189	110,630	(141,348)
Total sales	<u>\$ 587,076</u>	<u>\$ 553,112</u>	<u>\$ 505,043</u>	<u>\$ 33,964</u>

Retail liquor sales increased 45.66% and mixed beverage sales decreased by 83.54% over the prior year, overall sales increased by 6.14%.

Capital Assets

Capital assets remained unchanged from the prior year.

Table 3
Summary of Changes in Capital Assets

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>\$ Change</u>
Furniture, fixtures, and equipment	\$ 3,886	\$ 5,918	\$ 6,275	\$ (2,032)
Total capital assets	<u>\$ 3,886</u>	<u>\$ 5,918</u>	<u>\$ 6,275</u>	<u>\$ (2,032)</u>

Economic Factors

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Requests for Information

This report is intended to provide a summary of the financial condition of the Hyde County Alcoholic Beverage Control Board. Questions or requests for additional information should be addressed to:

Andrew Spencer, Finance Officer
20121 US Hwy 264
Swan Quarter, NC 27885

Hyde County ABC Board
(A component unit of Hyde County)
STATEMENT OF NET ASSETS
As of June 30, 2012 and June 30, 2011

ASSETS	2012		2011	
			DRAFT	
CURRENT ASSETS				
Cash and cash equivalents	\$	52,949	\$	10,972
Inventories		77,103		79,786
Total current assets		<u>130,052</u>		<u>90,758</u>
NON CURRENT ASSETS				
Property and Equipment - at Cost		32,873		32,873
		<u>32,873</u>		<u>32,873</u>
Less: accumulated depreciation		28,987		26,955
		<u>3,886</u>		<u>5,918</u>
TOTAL ASSETS	\$	<u>133,938</u>	\$	<u>96,676</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$	50,589	\$	38,208
Payroll taxes payable		4,118		1,694
Accrued payroll		3,949		-
Liquor sales tax payable		3,441		3,664
Taxes payable		22,205		14,201
Operating Loan (related party, see note 6)		16,750		19,000
Total current liabilities		<u>101,052</u>		<u>76,767</u>
Total liabilities		101,052		76,767
NET ASSETS				
Invested in capital assets		3,886		5,918
Restricted for:				
Working capital		17,190		16,060
Unrestricted		11,810		(2,069)
Total net assets		<u>32,886</u>		<u>19,909</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>133,938</u>	\$	<u>96,676</u>

The accompanying notes are an integral part of this financial statement.

Hyde County ABC Board
(A component unit of Hyde County)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2012 and June 30, 2011

	2012	Percent	DRAFT 2011	Percent
OPERATING REVENUE				
Liquor sales	\$ 440,307	98.52%	\$ 383,923	91.96%
Mixed beverage sales	146,769	32.84%	169,189	40.53%
Total gross sales	587,076	131.36%	553,112	132.49%
DEDUCT TAXES ON GROSS SALES				
State excise tax	123,463	27.62%	120,538	28.87%
Rehabilitation tax	1,505	0.34%	1,372	0.33%
Mixed beverage tax (Revenue)	13,920	3.11%	12,470	2.99%
Mixed beverage tax (Human Resources)	1,257	0.28%	1,247	0.30%
Total taxes	140,145	31.36%	135,627	32.49%
Net sales	446,931	100.00%	417,485	100.00%
DEDUCT COST OF SALES	296,444	66.33%	287,231	68.80%
Gross profit on sales	150,487	33.67%	130,254	31.20%
DEDUCT OPERATING EXPENSES				
Direct store expenses	131,859	29.50%	98,780	23.66%
Depreciation expense	2,032	0.45%	3,857	0.92%
General and administrative expenses	6,703	1.50%	15,498	3.71%
Total operating expenses	140,594	31.46%	118,135	28.30%
Income (loss) from operations	9,893	-	12,119	-
NONOPERATING REVENUES				
Interest income	17	0.00%	20	0.00%
Other income	3,470	0.78%	-	0.00%
Tax refunds (penalties, assessments)	(403)	0.09%	(7,838)	1.88%
Total nonoperating revenues	3,084	0.87%	(7,818)	1.88%
Change in net assets	12,977		4,301	
Net assets at beginning of year	19,909		15,608	
Net assets at end of year	\$ 32,886		\$ 19,909	

The accompanying notes are an integral part of this financial statement.

Hyde County ABC Board
(A component unit of Hyde County)
STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and June 30, 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 587,076	\$ 553,112
Cash payments to suppliers for goods and services	(281,380)	(349,748)
Cash payments to employees and board members for services	(72,917)	(59,649)
Operating expenses	(59,272)	(55,648)
Taxes paid	(132,364)	(135,627)
Net cash provided (used) by operating activities	41,143	(47,560)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	-	(3,500)
Principal paid on operating loan	(2,250)	-
Net cash provided (used) by capital and related financing activities	(2,250)	(3,500)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned on investments	17	20
Other income	3,470	-
Tax refunds (penalties, assessments)	(403)	(7,838)
Net cash provided (used) by investing activities	3,084	(7,818)
Net increase (decrease) in cash and cash equivalents	41,977	(58,878)
Cash and cash equivalents, beginning of year	10,972	69,850
Cash and cash equivalents, end of year	<u>\$ 52,949</u>	<u>\$ 10,972</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:		
Income (loss) from operations	9,893	12,119
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation	2,032	3,857
(Increase) decrease in operating assets		
Inventories	2,683	(59,891)
Increase (decrease) in operating liabilities		
Accounts payable	12,381	(2,626)
Accrued liabilities	3,949	-
Taxes and retirement	10,205	(1,019)
Net cash provided (used) by operating activities	<u>\$ 41,143</u>	<u>\$ (47,560)</u>

The accompanying notes are an integral part of this financial statement.

Hyde County Alcoholic Beverage Control Board
(A component unit of Hyde County)
Notes to the Financial Statements
For the Years Ended June 30, 2012 and 2011

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Principles used in determining the scope of the entity for financial reporting:

The Hyde County Alcoholic Beverage Control Board (ABC Board), a component unit of Hyde County, is a corporate body with powers outlined by General Statutes Chapter 18B-701. The county's governing body appoints the ABC Board.

The ABC Board is required by State Statute to distribute its surpluses to the general fund of Hyde County, which represents a financial benefit to the county. Therefore, the ABC Board is reported as a discretely presented component unit in the county's financial statements.

B. Organizational History

The ABC Board was organized under the North Carolina General Statute 18A-51 and implemented by a Countywide election held July 29, 1975. The County of Hyde Board of Commissioners appoints three individuals to serve on the Board with terms of three years, two years and one year.

The ABC Board, as provided by North Carolina Alcoholic Beverage Control laws, operates two liquor stores. North Carolina General Statute 18B-805(c)(2)(3) requires that the ABC Board expend at least 5% of profits for law enforcement and at least 7% of the same profits for alcohol education and rehabilitation purposes.

C. Basis of Presentation

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or the change in net assets is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. All sales are made by cash, check, debit or credit card and recorded at the time of sale. Other revenues are recorded when earned. Expenses are recognized when incurred. As permitted, the Board has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its proprietary operation, unless those pronouncements conflict with or contradict GASB pronouncements.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of net assets date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

F. Assets, Liabilities, and Net Assets

Deposits

All deposits of the ABC Board are made in board-designated official depositories and are collateralized as required by G.S. 159-31. The ABC Board may designate, as an official depository, any bank or savings

Hyde County Alcoholic Beverage Control Board
(A component unit of Hyde County)
Notes to the Financial Statements
For the Years Ended June 30, 2012 and 2011

association whose principal office is located in North Carolina. Also, the Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

All of the ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the ABC Board's agent in the ABC Board's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the ABC Board, these deposits are considered to be held by the ABC Board agent in the ABC Board's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the ABC Board or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the ABC Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

At June 30, 2012 and 2011, the ABC Board's deposits had a carrying amount of \$52,799 and \$10,372, respectively, and a bank balance of \$47,170 and \$56,164, respectively. All of the bank balance was covered by federal depository insurance as of June 30, 2012 and 2011. At June 30, 2012 and 2011, the Board's petty cash totaled \$150 and \$600, respectively.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

Inventories

Inventories are valued at the lower of cost (FIFO) or market.

Property, Plant, and Equipment

Property and equipment are stated at cost and are being depreciated over their useful lives on a straight-line basis as follows:

	Useful Life	Cost	Accumulated Depreciation	Net
Equipment	3 - 10 yrs	\$ 29,373	\$ 27,587	\$ 1,786
Vehicle	5 yrs	3,500	1,400	2,100
		<u>\$ 32,873</u>	<u>\$ 28,987</u>	<u>\$ 3,886</u>

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in the earnings for the period. Asset expenditures exceeding \$1,000 are capitalized.

Hyde County Alcoholic Beverage Control Board
(A component unit of Hyde County)
Notes to the Financial Statements
For the Years Ended June 30, 2012 and 2011

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Net Assets

Net assets consist of the following:

- a. Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent related proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.
- b. Restricted for working capital. – North Carolina Alcoholic Beverage Control Commission Rule [.0902] defines working capital as the total of cash, investments and inventory less all unsecured liabilities. An ABC Board shall set its working capital requirements at not less than two weeks' average gross sales of the last fiscal year or greater than four months' average gross sales of the last fiscal year. Average gross sales means gross receipts from the sale of alcoholic beverages less distributions required by State law [G.S.18B-805(b),(2),(3), and (4)].
- c. Unrestricted net assets. – This component of net assets consists of net assets that do not meet the definition of *restricted* or *invested in capital assets, net of related debt*.

G. Subsequent Events – Date of Management Evaluation

Management has evaluated subsequent events through _____, the date on which the financial statements were available to be issued.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Noncompliance with N.C. General Statutes

The Board made transactions during the current fiscal year that are considered conflict of interest. The Board is in violation of GS 18B-201 which states no person appointed to the Board or their spouse or family member shall benefit from any transaction of the Board. The Board is also in violation of GS 18B-700 travel reimbursement. The Board does not secure receipts for travel, but pays a per month fee for an auto allowance. There is no such policy of the Board.

The Board is in violation of GS 128-21.10. The Board did not pay in retirement on full-time employees during the current fiscal year. The ABC is required to contribute to the statewide Local Governmental Employees' Retirement System (LERS) on all full-time employees defined in the general statute.

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2012, the expenditures made for operating expenses exceeded the authorized appropriation made by the Board by \$15,162. Management and the Board will more closely review the budget reports to ensure compliance in future years.

NOTE 3 PENSION PLAN OBLIGATIONS

A. Local Government Employees' Retirement System

Plan Description. The ABC Board contributes to the statewide Local Governmental Employees' Retirement System (LERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Government Employees' Retirement

Hyde County Alcoholic Beverage Control Board
(A component unit of Hyde County)
Notes to the Financial Statements
For the Years Ended June 30, 2012 and 2011

System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 Mail Service Center, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The ABC Board is required to contribute at an actuarially determined rate. The ABC Board's current rate for employees not engaged in law enforcement is 7.08% of annual covered payroll. The contribution requirements of members and of the ABC Board are established and may be amended by the North Carolina General Assembly. The ABC Board's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010, were \$0,000, \$1,412, and \$2,085, respectively. The contributions made by the ABC Board equaled the required contributions for each year.

B. Death Benefits

The Board has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Board has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. The Board considers these contributions to be immaterial.

The Board does not provide other post - employment benefits.

NOTE 4 COMMITMENTS

The Hyde County ABC Board has elected to pay direct costs of employment securities benefits in lieu of employment security taxes on payroll. A liability for benefit payments could accrue in the year following discharge of employees. In addition, tax refunds, penalties, and assessments from federal or state agencies are recorded and/or paid as received or billed.

NOTE 5 OPERATING LEASES

The Board has month to month verbal operating leases for both stores. The amount of rental expense incurred for the years ending June 30, 2012 and 2011 are \$9,000 and \$7,000 respectively.

NOTE 6 Operating Loan (Related Party Transaction)

In May 2006, the Board secured an operating loan in the amount of \$20,000 from the Hyde County Board of Commissioners. The loan is non-interest bearing and is payable on demand. The outstanding balance as of June 30, 2012 is \$16,750.

NOTE 7 VACATION AND SICK LEAVE COMPENSATION

ABC Board employees may accumulate up to twenty days of vacation leave, which terminates at June 30 of each year. Accumulated earned vacation at June 30, 2012 and 2011 amounted to 0.

Employees can accumulate an unlimited amount of sick leave. Sick leave may be used in the determination of length of service for retirement benefit purposes. Since the Board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Hyde County Alcoholic Beverage Control Board
(A component unit of Hyde County)
Notes to the Financial Statements
For the Years Ended June 30, 2012 and 2011

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NOTE 8 DISTRIBUTION OF INCOME

State law G.S. 18B-805 requires that the minimum distribution set aside in (c)(1) and any profit remaining after deducting amounts required for law enforcement and alcohol education and retaining proper working capital, be paid quarterly to the appointing authority. The current fiscal year has the Board's required working capital at less than the maximum as determined by state statute; therefore there will not be a distribution to the County for the current year.

NOTE 9 LAW ENFORCEMENT AND ALCOHOL EDUCATION EXPENSES

The ABC Board is required by law to expend at least 5% of its profits for law enforcement and not less than 7% for alcohol education. Profits are defined by law for these calculation as the change in net assets before law enforcement and educational expenses, less the 3½% markup provided in G.S. 18B-804(b)(5) and the bottle charge provided for in G.S. 18B-804(b)(6b).

	2012	2011
Change in net assets before required distributions	\$ 12,977	\$ 4,301
Less: 3 1/2% tax and bottle charge	16,745	15,092
Profit (Loss) subject to expense percentages	(3,768)	(10,791)
Law enforcement expenditures - accrued (5% of profit)	\$ -	\$ -
Provision for alcohol education and rehab - accrued (7% of profit)	\$ -	\$ -

NOTE 10 DISBURSEMENT OF TAXES INCLUDED IN SELLING PRICE

A state excise tax, at the rate of 30%, on the retail (net sales) price is charged monthly on liquor sales (excluding wine sales). Transactions for this account for the years ended June 30, 2012 and 2011 are summarized as follows:

	2012	2011
Taxes payable, beginning of year	\$ 14,201	\$ 5,164
Taxes collected during the year	137,383	120,538
Taxes remitted to Department of Revenue	(132,407)	(111,501)
Taxes payable, end of year	<u>\$ 19,177</u>	<u>\$ 14,201</u>

The excise tax is computed in accordance with G.S. 18B-805(i). The accrued North Carolina excise tax at June 30, 2012 was remitted to the North Carolina Department of Revenue on July 12, 2012.

A bottle charge of one cent (\$.01) on each bottle containing 50 milliliters or less and five cents (\$.05) on each bottle containing more than 50 milliliters is collected and distributed monthly to the county commissioners for alcohol education and rehabilitation. For the fiscal years, payments to the county were based on the following bottle sales:

			2012	2011
Regular bottles	22,025	@ 0.05	\$ 1,101	\$ 1,010
Mixed beverage bottles	7,423	@ 0.05	370	332
Miniature bottles	3,394	@ 0.01	34	30
Total payment for the year			<u>\$ 1,505</u>	<u>\$ 1,372</u>

Hyde County Alcoholic Beverage Control Board
(A component unit of Hyde County)
Notes to the Financial Statements
For the Years Ended June 30, 2012 and 2011

A "mixed beverage tax" at the rate of \$20 per 4 liters is charged on the sale of liquor to be resold as mixed beverages. One-half of the mixed beverage tax is submitted monthly to the Department of Revenue. Five percent of the mixed beverage tax is submitted monthly to the Department of Human Resources.

The mixed beverage tax for the years ended June 30 was:

		2012	2011
Department of Revenue	50% =	\$ 13,920	\$ 12,470
Department of Human Resources	5% =	1,257	1,247
Profit Retained	45% =	12,665	11,223
Total Payment for the year		<u>\$ 27,842</u>	<u>\$ 24,940</u>

NOTE 11 SURCHARGE COLLECTED

The total amount of surcharge collected for the fiscal years ended June 30, 2012 and 2011 was \$2,268 and \$2,125 respectively. The rate is 85 cents per case sold.

NOTE 12 LIQUOR SALES TAX

The total amount of sales tax collected by the Hyde County ABC Board and remitted to the Department of Revenue for the fiscal years ended June 30, 2012 and 2011 was \$31,276 and \$31,464, respectively. The current sales tax rate is 7%.

NOTE 13 Retail Outlets

The Hyde ABC Board operated with two retail outlets during the years ended June 30, 2012 and 2011.

	Gross Sales		Change in Net Assets	
	2012	2011	2012	2011
Store #1, Swan Quarter	\$ 219,482	\$ 222,256	\$ (25,468)	\$ (14,427)
Store #2, Ocracoke	\$ 367,594	\$ 330,856	\$ 38,445	\$ 18,728

NOTE 14 WORKING CAPITAL

The ABC Board is required by the Alcoholic Beverage Control Commission rule [.0902] to set its working capital requirements at not less than two weeks' average gross sales of the last fiscal year. (Gross sales are gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b)(2), (3), and (4).

Hyde County Alcoholic Beverage Control Board
(A component unit of Hyde County)
Notes to the Financial Statements
For the Years Ended June 30, 2012 and 2011

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The ABC Board's position on this requirement is as follows:

		<u>June 30, 2012</u>		<u>June 30, 2011</u>
Minimum amount	\$	17,190	\$	16,060
Maximum amount	\$	195,692	\$	136,162
Actual working capital	\$	28,999	\$	13,991

The ABC Board has met the minimum amount of working capital for the year ended June 30, 2012 and did not meet the minimum working capital for the year ended June 30, 2011.

NOTE 15 INVENTORIES

Inventories consisting of alcoholic beverages are summarized as follows:

	<u>June 30, 2012</u>		<u>June 30, 2011</u>
Store #1, Swan Quarter	26,207		32,211
Store #2, Ocracoke	50,895		47,575
	\$ <u>77,102</u>	\$	\$ <u>79,786</u>

NOTE 16 BREAKAGE EXPENSE

Credit was given to the board by the liquor distributors for all breakage during the year. The Board did not absorb any expense for breakage.

NOTE 17 RISK MANAGEMENT

The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has commercial property, general liability, auto liability, workmen's compensation and employee health coverage. The Board also has liquor legal liability.

There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 18B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety.

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SUPPLEMENTARY INFORMATION

The following schedule is information the ABC Commission requires

- Schedule of Operating Expenses
- Analysis of income by store
- Schedule of Revenues and Expenditures-Budget and Actual

Hyde County ABC Board
(A component unit of Hyde County)
SCHEDULE OF OPERATING EXPENSES
For the Years Ended June 30, 2012 and June 30, 2011

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	<u>Swan Quarter</u>		<u>Ocracoke</u>		<u>Combined Total</u>	
	2012	2011	2012	2011	2012	2011
Salaries	\$ 58,065	\$ 30,229	\$ 21,225	\$ 28,401	\$ 79,290	\$ 58,630
Retirement expense	-	1,412	-	-	-	1,412
Payroll taxes	5,059	2,595	1,849	2,440	6,908	5,035
Rent	3,000	3,000	6,000	4,000	9,000	7,000
Store supplies	1,912	1,739	3,202	2,762	5,114	4,501
Telephone	2,476	5,848	2,262	3,098	4,738	8,946
Utilities	678	-	517	-	1,195	-
Repairs and maintenance	1,157	667	1,938	-	3,095	667
Bank charges	1,435	2,150	5,480	4,143	6,915	6,293
Travel and lodging	297	-	498	108	795	108
Delivery Expense	1,715	-	2,872	4,240	4,587	4,240
Insurance	3,137	11,309	5,254	643	8,391	11,952
Contract labor	469	112	786	-	1,255	112
Store security	215	582	361	-	576	582
Total store expenses	79,615	59,643	52,244	49,835	131,859	109,478
Allocated administrative expenses	2,506	2,400	4,197	2,400	6,703	4,800
Depreciation expense	760	1,674	1,272	2,183	2,032	3,857
Total store operating expenses	<u>\$ 82,881</u>	<u>\$ 63,717</u>	<u>\$ 57,713</u>	<u>\$ 54,418</u>	<u>\$ 140,594</u>	<u>\$ 118,135</u>

Hyde County ABC Board
(A component unit of Hyde County)
ANALYSIS OF INCOME BY STORES
For the Years Ended June 30, 2012 and June 30, 2011

DRAFT
Combined Total

	Swan Quarter		Ocracoke		Combined Total	
	2012	2011	2012	2011	2012	2011
Operating revenue:						
Liquor sales and mixed beverage sales	\$ 219,482	\$ 222,256	\$ 367,594	\$ 330,856	\$ 587,076	\$ 553,112
Total gross sales	<u>219,482</u>	<u>222,256</u>	<u>367,594</u>	<u>330,856</u>	<u>587,076</u>	<u>553,112</u>
Less taxes:						
State excise tax	46,157	48,215	77,306	72,323	123,463	120,538
Mixed beverage tax (Revenue)	5,204	4,988	8,716	7,482	13,920	12,470
Mixed beverage tax (Human Resources)	470	499	787	748	1,257	1,247
Rehabilitation tax	563	549	942	823	1,505	1,372
Total taxes	<u>52,394</u>	<u>54,251</u>	<u>87,751</u>	<u>81,376</u>	<u>140,145</u>	<u>135,627</u>
Net sales	167,088	168,005	279,843	249,480	446,931	417,485
Cost of sales	<u>110,828</u>	<u>115,588</u>	<u>185,616</u>	<u>171,643</u>	<u>296,444</u>	<u>287,231</u>
Gross profit on sales	56,260	52,417	94,227	77,837	150,487	130,254
Operating expenses:						
Store expenses	79,615	59,643	52,244	49,835	131,859	109,478
Administrative expenses	2,506	2,400	4,197	2,400	6,703	4,800
Depreciation expenses	760	1,674	1,272	2,183	2,032	3,857
Total operating expenses	<u>82,881</u>	<u>63,717</u>	<u>57,713</u>	<u>54,418</u>	<u>140,594</u>	<u>118,135</u>
Income (loss) from operations	(26,621)	(11,300)	36,514	23,419	9,893	12,119
Nonoperating revenues:						
Interest income	6	8	11	12	17	20
Tax refunds (penalties, assessments)	(151)	(3,135)	(252)	(4,703)	(403)	(7,838)
Miscellaneous income	1,297	-	2,173	-	3,470	-
	<u>1,153</u>	<u>(3,127)</u>	<u>1,931</u>	<u>(4,691)</u>	<u>3,084</u>	<u>(7,818)</u>
Change in net assets	<u>\$ (25,468)</u>	<u>\$ (14,427)</u>	<u>\$ 38,445</u>	<u>\$ 18,728</u>	<u>\$ 12,977</u>	<u>\$ 4,301</u>

Hyde County Alcoholic Beverage Control Board

(A component unit of Hyde County)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended June 30, 2012

DRAFT Schedule 4
 Page 1 of 2
 Variance
 Positive
 (Negative)

	Original Budget	Revised Budget	Actual	Variance Positive (Negative)
Revenues:				
Operating revenues:				
Liquor sales - regular	\$ 600,000	\$ 600,000	\$ 559,235	\$ 40,765
Mixed beverage sales	217,743	217,743	27,841	189,902
Total	817,743	817,743	587,076	230,667
Non-operating revenues:				
Interest	6	6	17	(11)
Miscellaneous income	-	-	3,470	(3,470)
Tax refunds (penalties, assessments)	6,000	6,000	(403)	6,403
Total revenues	823,749	823,749	590,160	233,589
Expenditures:				
Taxes based on revenue:				
State excise tax	180,000	180,000	123,463	56,537
Mixed beverage tax (Revenue)	12,251	12,251	13,920	(1,669)
Mixed beverage tax (Human Resources)	849	849	1,257	(408)
Rehabilitation tax	1,909	1,909	1,505	404
Total	195,009	195,009	140,145	54,864
Cost of goods sold	501,806	501,806	296,444	205,362
Operating expenses:				
Contract labor	-	-	1,255	(1,255)
Salaries and benefits	60,000	60,000	79,290	(19,290)
Payroll taxes	4,800	4,800	6,908	(2,108)
Group insurance	5,300	5,300	1,120	4,180
Retirement fund	3,000	3,000	-	3,000
Rent	9,500	9,500	9,000	500
Repairs & maintenance	10,400	10,400	3,095	7,305
Utilities	2,200	2,200	1,195	1,005
Telephone	4,200	4,200	4,738	(538)
Insurance and bonds	7,000	7,000	7,271	(271)
Store/Office supplies	1,500	1,500	5,114	(3,614)
Travel	500	500	795	(295)
Delivery & travel	1,200	1,200	4,587	(3,387)
Professional fees	6,500	6,500	6,465	35
Security	600	600	576	24
Postage	100	100	238	(138)
Bank Fees	6,000	6,000	6,915	(915)
Miscellaneous	600	600	-	600
Total	123,400	123,400	138,562	(15,162)

Hyde County Alcoholic Beverage Control Board
(A component unit of Hyde County)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2012

Schedule 4
Page 2 of 2
DRAFT
Variance

	Original Budget	Revised Budget	Actual	Positive (Negative)
Total expenditures	820,215	820,215	575,151	245,064
Total expenditures & distributions	820,215	820,215	575,151	245,064
Revenues over expenditures	3,534	3,534	15,009	(11,475)
Other financing (uses):				
Working capital retained				
(Unrestricted funds)	(3,534)	(3,534)	-	(3,534)
Revenues over expenditures and other financing (uses)	\$ -	\$ -	15,009	\$ (15,009)

Reconciliation from budgetary
basis (modified accrual) to
full accrual:

Reconciling items:	
Depreciation	2,032
Total	2,032
Change in net assets	\$ 12,977



**North Carolina
Department of Commerce
Community Assistance
Community Development & Planning Division**

Pat McCrory, Governor

Sharon Allred Decker, Secretary
Richard B. Self, Director

May 29, 2013

The Honorable Barry Swindell, Chair
Hyde County Board of Commissioners
Post Office Box 188
Swan Quarter, North Carolina 27885-0188

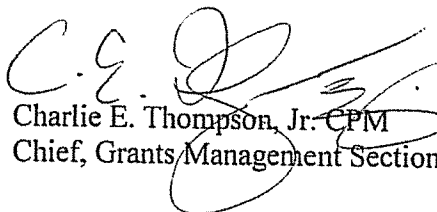
Subject: Freeze of CDBG Funds

CDBG Number: 05-D-2194, 09-C-2036, 09-C-2067 & 10-C-2182

Effective the date of this letter, your Community Development Block Grant (CDBG) Program and Administrative funds previously frozen for late or non-submission of the 2012 Audit are no longer frozen.

Community Assistance (CA) appreciates your cooperation in meeting this requirement. If you have any questions regarding your grant, please contact your grant representative at (919) 571-4900.

Sincerely,


Charlie E. Thompson, Jr. CPM
Chief, Grants Management Section

CETJ/TW

cc: Toni Moore, CA Business Officer

Andrew Harris, CPA

3729-7 W. Wilson St.
Farmville, NC 27828
Phone (252) 813-9988
Phone (252) 753-2636
E-mail andrew@andrewharriscpa.com

April 21, 2013

Hyde County
PO Box 188
30 Oyster Creek Rd
Swan Quarter, NC 27885

I am pleased to confirm my understanding of the services I am to provide Hyde County for the year ended June 30, 2013. I will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of Hyde County as of and for the year ended June 30, 2013. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Hyde County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of my engagement, I will apply certain limited procedures to Hyde County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I will not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) GASB-required OPEB
- 3) GASB-required supplementary pension

I have also been engaged to report on supplementary information other than RSI that accompanies Hyde County's financial statements. I will subject the following supplementary information to the auditing procedures applied in my audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of expenditures of federal awards.

Audit Objectives

The objective of my audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and

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material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The reports on internal control and compliance will each include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

My audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures I consider necessary to enable me to express such opinions and to render the required reports. If my opinions on the financial statements or the Single Audit compliance opinions are other than unqualified (unmodified), I will fully discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or are unable to form or have not formed opinions, I may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, I will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the written management representation letter my assistance with preparation of the financial statements, schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services I provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hyde County and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to me and for ensuring that management and financial information is reliable and properly recorded. You are also responsible for providing me with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that I may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom I determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to me in the written representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal

acts could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for my review on June 30, 2013.

You are responsible for preparation of the schedule of expenditures of federal awards in conformity with OMB Circular A-133. You agree to include my report on the schedule of expenditures of federal awards in any document that contains and indicates that I have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to me in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) that you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You are also responsible for the preparation of the other supplementary information, which I have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include my report on the supplementary information in any document that contains and indicates that I have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes my report thereon. Your responsibilities include acknowledging to me in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for me previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to me corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on my current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by me, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, I will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of

laws or governmental regulations that come to my attention, unless clearly inconsequential, and of any material abuse that comes to my attention. I will include such matters in the reports required for a Single Audit. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. I will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of my audit, I will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

My audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that I consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. My tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, I will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that I consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, my tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of Hyde County's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and I will not express such an opinion in my report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that I also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. My procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* and related addenda for the types of compliance requirements that could have a direct and material effect on each of Hyde County's major programs. The purpose of these procedures will be to express an opinion on Hyde County's compliance with requirements applicable to each of its major programs in my report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

I may from time to time, and depending on the circumstances, use third-party service providers in serving your account. I may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that I am unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, I will remain responsible for the work provided by any such third-party service providers.

I understand that your employees will prepare all cash, accounts receivable, or other confirmations I request and will locate any documents selected by me for testing.

At the conclusion of the engagement, I will complete the appropriate sections of the Data Collection Form that summarizes my audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. I will coordinate with you the electronic submission and certification. If applicable, I will provide copies of my report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Andrew Harris, CPA and constitutes confidential information. However, pursuant to authority given by law or regulation, I may be requested to make certain audit documentation available to an oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. I will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Andrew Harris, CPA personnel. Furthermore, upon request, I may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the oversight agency or entity. If I am aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, I will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

I expect to begin my audit on approximately June 1, 2013 and to issue my reports no later than October 31, 2013. Andrew Harris is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. My fee for these services will be at my standard hourly rates will not exceed \$27,000. My standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. My invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with my firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If I elect to terminate my services for nonpayment, my engagement will be deemed to have been completed upon written notification of termination, even if I have not completed my report. You will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

Government Auditing Standards require that I provide you with a copy of my most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. My 2012 peer review report accompanies this letter.

I appreciate the opportunity to be of service to Hyde County and believe this letter accurately summarizes the significant terms of my engagement. If you have any questions, please let me know. If you agree with the terms of my engagement as described in this letter, please sign the enclosed copy and return it to the Local Government Commission.

Very truly yours,

A handwritten signature in black ink that reads "Andrew Harris, CPA". The signature is written in a cursive, flowing style.

RESPONSE:

This letter correctly sets forth the understanding of Hyde County.

By:

Title:

Date:



CONTRACT TO AUDIT ACCOUNTS of Hyde County

Governmental Unit

On this 21st day of April, 2013, Andrew Harris, CPA
Auditor

3729-7 W. Wilson St. Farmville, NC 27828

Mailing Address

, hereinafter referred to as

the Auditor, and Town Council of Hyde County, hereinafter referred
Governing Board Governmental Unit
to as the Governmental Unit, agree as follows:

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit for the period beginning July 1, 2012, and ending June 30, 2013. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion will be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate discretely presented component units, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with generally accepted auditing standards. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB Circular A-133 and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated workpapers may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and/or workpapers are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC CPA Board).
3. This contract contemplates an unqualified opinion being rendered. If financial statements are not prepared in accordance with GAAP, or the statements fail to include all disclosures required by GAAP, please provide an explanation for that departure from GAAP in an attachment.
4. This contract contemplates an unqualified opinion being rendered. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract (See Item 22). If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards*, the Auditor shall provide an explanation as to why in an attachment.
6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the State and Local Government Finance Division (SLGFD) within four months of fiscal year end. Audit report is due on: October 31, 2013. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay must be submitted to the Secretary of the LGC for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relates to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor will make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report must include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] The process for

Hyde County

Contract to Audit Accounts (cont.)

(Name of Governmental Unit)

invoice approval has changed. All invoices for Audit work must be submitted by email in PDF format to the Secretary of the LGC for approval. The invoices must be sent through the portal at: <http://nctreasurer.slgfd.leapfile.net>. Subject line should read "Invoice - only. The PDF invoice marked 'approved' with approval date will be returned by email to the Auditor for them to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the LGC, the following fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts:

Year-end bookkeeping assistance – *[For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards]* _____

Audit **\$27,000**

Preparation of the annual financial statements _____

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. ~~The 75% cap for interim invoice approval for this audit contract is \$20,250~~

10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall include documentation either in the notes to the audited financial statements or as a separate report submitted to the SLGFD along with the audit report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the SLGFD simultaneously with the Governmental Unit's audited financial statements unless otherwise specified in the bond documents.
11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include but not be limited to the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the client or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the accounting period.
12. If the audit firm is required by the NC CPA Board or the Secretary of the LGC to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Governmental Unit will not be billed for the pre-issuance review. The pre-issuance review must be performed prior to the completed audit being submitted to the LGC. The pre-issuance report must accompany the audit report upon submission to the LGC.
13. The Auditor shall electronically submit the report of audit to the LGC when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the LGC. These audited financial statements are used in the preparation of official statements for debt offerings (the Auditors' opinion is not included), by municipal bond rating services, to fulfill secondary market disclosure requirements of the Securities and Exchange Commission, and other lawful purposes of the Governmental Unit, without subsequent consent of the Auditor. If it is determined by the LGC that corrections need to be made to the Governmental Unit's financial statements, they should be provided within three days of notification unless, another time frame is agreed to by the LGC.

The LGC's process for submitting contracts, audit reports and Invoices are subject to change. Auditors should use the submission process in effect at the time of submission. The most current instructions will be found on our website: <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>

In addition, if the OSA designates certain programs to be audited as major programs, a turnaround document and a representation letter addressed to the OSA shall be submitted to the LGC.

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor.
15. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, signed and dated by all parties and pre-audited if the change includes a change in audit fee. This document and a written explanation of the change must be submitted by email in PDF format to the Secretary of the LGC for approval. The portal address to upload your amended contract and letter of explanation documents

Contract to Audit Accounts (cont.) Hyde County

(Name of Governmental Unit)

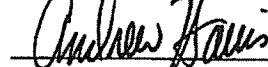
is <http://nctreasurer.slgfd.leapfile.net> No change shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. Whenever the Auditor uses an engagement letter with the Governmental Unit, Item 17 is to be completed by referencing the engagement letter and attaching a copy of the engagement letter to the contract to incorporate the engagement letter into the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control. Engagement letter terms are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 22 of this contract. Engagement letters containing indemnification clauses will not be approved by the LGC.
17. Special provisions should be limited. Please list any special provisions in an attachment.
18. A separate contract should not be made for each division to be audited or report to be submitted. A separate contract must be executed for each component unit which is a local government and for which a separate audit report is issued.
19. The contract must be executed, pre-audited, physically signed by all parties and submitted in PDF format including Governmental Unit and Auditor signatures to the Secretary of the LGC. The current portal address to upload your contractual documents is <http://nctreasurer.slgfd.leapfile.net> Electronic signatures are not accepted at this time. ~~Included with this contract are instructions to submit contracts and invoices for approval as of April 2013. These instructions are subject to change. Please check the NC Treasurer's web site at www.nctreasurer.com for the most recent instructions.~~
20. The contract is not valid until it is approved by the LGC Secretary. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
22. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16.)
23. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

Audit Firm Signature:
Firm Andrew Harris, CPA

By Andrew Harris

(Please type or print name)



(Signature of authorized audit firm representative)

Email Address of Audit Firm:

andrew@andrewharris.com

Date April 21, 2013

Governmental Unit Signatures:

By _____
(Please type or print name and title)

(Signature of Mayor/Chairperson of governing board)

Date _____

Date Governing Body Approved Audit Contract - G.S. 159-34(a)
Governmental Unit Signatures (continued):

Unit Signatures (continued):

(Chair of Audit Committee- please type or print name)

N/A

(Signature of Audit Committee Chairperson)

Date N/A

(If Governmental Unit has no audit committee, this section should be marked "N/A.")

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

Governmental Unit Finance Officer (Please type or print name)

(Signature)

Email Address of Finance Officer

Date _____

(Preaudit Certificate must be dated.)

SIGN HERE

SIGN HERE

Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Meeting Date: **June 3, 2013**
Presenter: **Clint Berry**
Attachment: **Yes**

ITEM TITLE: **Support of HB321**

SUMMARY: House Bill 321 will not require Local Governments to update their ten year plan which is very time consuming. We will still have to submit an annual report.

RECOMMEND: Adopt letter of support.

Motion Made By: ☐ Barry Swindell
 ☐ Dick Tunnell
 ☐ Anson Byrd
 ☐ John Fletcher
 ☐ Earl Pugh, Jr.

Motion Seconded By: ☐ Barry Swindell
 ☐ Dick Tunnell
 ☐ Anson Byrd
 ☐ John Fletcher
 ☐ Earl Pugh, Jr.

Vote: ☐ Barry Swindell
 ☐ Dick Tunnell
 ☐ Anson Byrd
 ☐ John Fletcher
 ☐ Earl Pugh, Jr.

COUNTY OF HYDE

Board of Commissioners

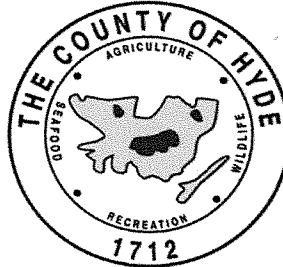
Barry Swindell, Chair
Dick Tunnell, Vice-chair
Anson Byrd
John Fletcher
Earl Pugh, Jr.

30 Oyster Creek Road
PO Box 188
SWAN QUARTER, NORTH CAROLINA 27885
252-926-4400
252-926-3701 Fax

Bill Rich
County Manager

Fred Holscher
County Attorney

Lois Stotesberry, CMC, NCCCC
Clerk to the Board



June 3, 2013

Senator Bill Cook
300 N. Salisbury St., Room 525
Raleigh, NC 27603-5925

Dear Senator Cook,

Albemarle Regional Solid Waste Management Authority supports House Bill 321, An Act to Repeal the Requirement that Local Governments Develop and Maintain a Solid Waste Management Plan. We are in good company in our support. The N.C. Division of Waste Management supports this bill. This bill is a legislative goal of the N.C. Association of County Commissioners and the N.C. Chapter of the Solid Waste Association of North America. This bill has passed the House with a unanimous vote.

This bill removes a burdensome and unnecessary requirement from our local governments. In our experience we find that the ten-year planning requirement does not improve or change how we manage solid waste, waste reduction or recycling programs. Rather, it takes staff away from their duties of improving and maintaining these programs and robs them of time better spent on important education and outreach programs.

Our local governments already submit the required annual materials management data and financial reports to the N.C. Division of Waste Management. If the state requires more information it would be better to request the additional information in those reports than to keep the obsolete ten-year plan requirement.

Sincerely,

Barry Swindell, Chairman
Hyde County Board of Commissioners

cc: Senator Kay Hagan
Senator Richard Burr

Lois Stotesberry

From: Bill Rich <billrich3@mindspring.com>
Sent: Monday, May 20, 2013 9:54 PM
To: Lstotesberry@hydecourtnc.gov
Subject: FW: HB 321 letters

Lois,

Let's put this on the agenda with Clint's comments.

Bill

From: Clint Berry [mailto:cberry@hydecourtnc.gov]
Sent: Thursday, May 16, 2013 8:29 AM
To: 'Bill Rich'
Subject: RE: HB 321 letters

I agree with the letter of support. It is very time consuming and takes a lot of time away from other productive matters.

Clint Berry

Utilities Director
Hyde County
PO Box 66
1059 Main St.
Swan Quarter, NC 27885
252-926-4468 P
252-945-4196 C
252-926-3703 F

From: Bill Rich [mailto:billrich3@mindspring.com]
Sent: Wednesday, May 15, 2013 10:51 PM
To: Clint Berry
Cc: Brich
Subject: FW: HB 321 letters

Clint let me know your thoughts on this. Thanks.

Bill

From: Anne Blindt [mailto:ablindt@arhs-nc.org]
Sent: Wednesday, May 15, 2013 5:03 PM
To: Anson Byrd; Barry Swindell ; Ben Hobbs; Bill Rich; Bobby Outten; Carl Willis; Dan Scanlon ; Frank Heath; Jack Shea ; John M. Hora ; Jon Mendenhall; Keith Nixon; Matt Peeler ; Ralph Hollowell; Vance Aydlette; Zee Lamb

Cc: Vance Aydlett
Subject: HB 321 letters

Hi: We are polling the members of the Authority Board on whether you support HB 321 that does away with the currently required 10-year solid waste plans. Those are the plans that we update every three years. The County and Town Boards and Councils hold public hearings on them and approve of them.

This is the body of the letter to Senator Cook:

Albemarle Regional Solid Waste Management Authority supports House Bill 321, An Act to Repeal the Requirement that Local Governments Develop and Maintain a Solid Waste Management Plan. We are in good company in our support. The N. C. Division of Waste Management supports this bill. This bill is a legislative goal of the N.C. Association of County Commissioners and the N. C. Chapter of the Solid Waste Association of North America. This bill has passed the House with a unanimous vote.

This bill removes a burdensome and unnecessary requirement from our local governments. In our experience we find that the ten-year planning requirement does not improve or change how we manage solid waste, waste reduction or recycling programs. Rather, it takes staff away from their duties of improving and maintaining these programs and robs them of time better spent on important education and outreach programs.

Our local governments already submit the required annual materials management data and financial reports to the N. C. Division of Waste Management. If the state requires more information it would be better to request the additional information in those reports than to keep the obsolete ten-year plan requirement.

Could you please cc Mr. Aydlett?

Thanks

Anne Blindt

From: Anne Blindt
Sent: Wednesday, May 15, 2013 9:49 AM
To: 'Vance Aydlett'
Subject: HB 321 letters

Hi Mr. Aydlett: I have attached the letters for you. Feel free to copy or edit the text if you prefer to write the letters on your own letterhead or that of Currituck County.

Bill Cook is vice chairman of the senate Agriculture/ Environment / Natural Resources Committee where the bill resides now.

I have looked up the addresses of our local senators at <http://www.ncleg.net/> Yesterday I sent emails to the senators and attached the signed letters from Mr. Hollowell.

The email addresses for Senator Bill Cook is bill.cook@ncleg.net

The email addresses for Senator Clark Jenkins is clark.jenkins@ncleg.net

Thanks

Anne Blindt
PO Box 189
Elizabeth City NC 27907-0189
Phone: 252-338-4458
fax: 252-337-7921

This e-mail message may contain information that is privileged, confidential, and exempt from disclosure. It is intended for use only by the person to whom it is addressed. If you have received this message in error, please do not forward or use this information in any way. Delete it immediately and contact the sender as soon as possible by the reply option or by telephone at the telephone number listed (if available). In the event you cannot fulfill your obligation or there has been any improper release of this information, please contact the Privacy Officer at Albemarle Regional Health Services at (252) 337-6717.

Our Mission:

The Public Health professionals and programs of Albemarle Regional Health Services are dedicated to disease prevention and the promotion of a healthy environment to reduce morbidity, mortality and disability, through quality service, education, and advocacy.

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: June 3, 2013
Presenter: Bill Rich, County Manager
Attachment: Yes

ITEM TITLE: SUPPORT OF MIKE JOHNSON APPOINTMENT

SUMMARY: Hyde County Board of Commissioners has been asked to join with Dare County in support of appointment of Mike Johnson to the NCWRC.

RECOMMEND: Adopt letter of support.

Motion Made By: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Motion Seconded By: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Vote: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

COUNTY OF HYDE

Board of Commissioners

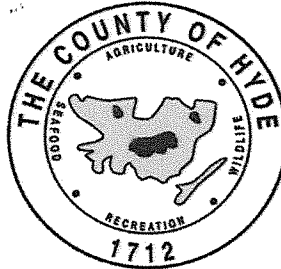
Barry Swindell, Chair
Dick Tunnell, Vice-chair
Anson Byrd
John Fletcher
Earl Pugh, Jr.

30 Oyster Creek Road
PO Box 188
SWAN QUARTER, NORTH CAROLINA 27885
252-926-4400
252-926-3701 Fax

Bill Rich
County Manager

Fred Holscher
County Attorney

Lois Statesberry, CMC, NCCCC
Clerk to the Board



May 20, 2013

Honorable Pat McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Dear Governor McCrory,

On behalf of the Hyde County Board of Commissioners, we encourage you to appoint Mike Johnson to the North Carolina Wildlife Commission. His application is before you and deserves serious consideration.

Mr. Johnson is a former Dare County Commissioner with a distinguished record of public service. He has served on the Dare County Game and Wildlife Commission, Shoreline Management Commission, and the Dare County Commission for Working Watermen.

Additionally, Mr. Johnson has served on the Atlantic States Marine Fisheries Commission (ASMFC) where his extensive wildlife background and experience proved invaluable in representing the interests of North Carolina at the ASMFC.

As an elected leader and as a private citizen Mr. Johnson has been a principled voice for sound management of North Carolina's wildlife resources. Along with his wildlife management experience, Mr. Johnson has demonstrated the leadership ability to work with stakeholders to build consensus and energize people in tackling the important issues facing North Carolina.

We enthusiastically recommend Mike Johnson to you. His experience, accomplishments, and character are worthy of your support and we urge you to favorably consider his application to the North Carolina Wildlife Commission.

Sincerely,

Barry Swindell, Chairman
Hyde County Board of Commissioners

Lois Stotesberry

From: Anson Byrd <ansonbyrd@gmail.com>
Sent: Monday, May 20, 2013 6:31 PM
To: Lois Stotesberry
Subject: Re: FW: Mike Johnson appointment to NCWRC

Lois,
I am in support of this.
Anson

On Mon, May 20, 2013 at 8:45 AM, Lois Stotesberry <lstotesberry@hydecountync.gov> wrote:
Anson,

I have prepared the attached letter to be sent by Hyde County if the Board approves. I will need Barry's signature. Please let me know if you would like to send the letter of support for Mr. Johnson.

Lois Stotesberry, CMC, NCCCC
Administrative Assistant/ Clerk to the Board of Commissioners
County of Hyde, PO Box 188, 30 Oyster Creek Road, Swan Quarter, NC 27885
Tel: [252-926-4178](tel:252-926-4178) Fax [252-926-3701](tel:252-926-3701) E-mail: lstotesberry@hydecountync.gov

-----Original Message-----

From: Gary Gross [<mailto:garyg@darenc.com>]
Sent: Monday, May 20, 2013 8:23 AM
To: Lois Stotesberry
Cc: Mike Johnson
Subject: Mike Johnson appointment to NCWRC

Lois,

I have been asked to forward the attached letter to you to share with Commissioner Anson Byrd pertaining to the appointment of Mike Johnson to the NCWRC. The letter is from the Dare County Board of Commissioners supporting Mike's appointment to the Commission.

Attached is the version of the letter that went to Governor McCrory. I have included it as both a PDF and a Word File. Similar versions were also sent to Sen. Berger and Speaker Tillis.

Hyde County's support for Mike's appointment would be greatly appreciated.

Thank you - Gary

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Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Meeting Date: June 3, 2013
Presenter: Bill Rich, County Manager
Attachment: Yes

ITEM TITLE: MATTIE/ Historic Courthouse Sign

SUMMARY: Judy McLawhorn has asked permission to affix a sign to the existing Hyde County Government Center sign on the corner of Main and 2nd Streets.

Page 2 – Terms and Conditions – Item 8 allows for erection of signage.
(see attached)

RECOMMEND: Discussion. No action required.

Motion Made By: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Motion Seconded By: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Vote: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Lois Stotesberry

From: Bill Rich <billrich3@mindspring.com>
Sent: Tuesday, May 21, 2013 8:26 AM
To: Lstotesberry@hydecourtynyc.gov
Subject: FW: MATTIE/ old Courthouse sign

From: Bill Rich [<mailto:billrich3@mindspring.com>]
Sent: Monday, May 20, 2013 9:55 PM
To: Lois Stotesberry (lstotesberry@hydecourtynyc.gov)
Subject: FW: MATTIE/ old Courthouse sign

June agenda please.

From: Bill Rich [<mailto:billrich3@mindspring.com>]
Sent: Monday, May 20, 2013 8:27 PM
To: 'Judy Mclawhorn'; 'brich@hydecourtynyc.gov'
Cc: 'knoble@hydecourtynyc.gov'; Anson Byrd; Barry Swindell; Dick Tunnell; Earl Pugh, Jr; John Fletcher
Subject: RE: MATTIE/ old Courthouse sign

Judy,

This will take Board action. Please let me know the results of your meeting with Signs Now and send me a rendering of what it will look like and what will happen to the present surface area of the existing sign. Thanks Judy.

Bill

From: Judy Mclawhorn [<mailto:jhmclawhorn@aol.com>]
Sent: Monday, May 20, 2013 9:57 AM
To: brich@hydecourtynyc.gov
Cc: knoble@hydecourtynyc.gov
Subject: MATTIE/ old Courthouse sign

Good morning!

We have need of signage for MATTIE at the corner of Main and 2nd streets. Currently the original sign for the "Hyde County Courthouse" occupies that space in the curbing. We would like to affix a sign to the existing one as the existing sign posts are set to concrete. Since there will be no structural changes, I would not think this would be an issue as the original sign would be preserved, but we did want to run this by you first. I have an appointment with Signs Now in Greenville Wednesday. I realize this is short notice, but if you could get back to me today or tomorrow, we would be most appreciative.

Judy
943-8991

is conditioned upon said premises being utilized by LESSEE primarily for non-profit activities under the sponsorship of LESSEE and conditioned upon LESSEE offering the restroom facilities of the leased area to the general public on a set and agreed upon schedule as set forth in Exhibit B; it is further stipulated that LESSEE reserves the right to assign or sublet portions of said premises without consent of the party of the first part;

3. LESSOR represents to LESSEE that premises are currently in compliance with the State Building Code and the NC Historic Preservation requirements as well as requirements set forth in the Americans with Disabilities Act and any other applicable law or statute; LESSEE agrees to accept said leased premises in its present condition and LESSEE agrees during the term of this Lease to make any and all exterior and interior repairs as may be necessary to maintain said leased premises in its present condition and to make said leased premises safe, useable and in compliance with NC State Building Code and the NC Historic Preservation requirements. The leased premises being defined as the first floor of the historic courthouse building.
4. LESSEE accepts the property in its present condition and with the knowledge that the same is prone to flooding. LESSEE agrees that LESSOR shall not be responsible for any damages which may occur because of flooding or because of any existing condition within the premises.
5. LESSEE agrees to maintain liability insurance coverage on the leased space; should LESSEE cause damage to any portion of the leased space, LESSEE agrees to be responsible for the repair of such damage.
6. LESSEE agrees to install and maintain appropriate landscaping immediately surrounding the facility and to mow, trim and maintain as needed to present a pleasing appearance for the facility.
7. LESSEE agrees to pay all utility costs attributable to the leased space directly, but limited to, water, sewer, and electricity.
8. LESSEE may at any time during the term of the Lease make non-structural and/or cosmetic alterations to said premises provided that, at the end of this Lease, if requested by LESSOR, such alteration shall be returned to its pre-lease condition by LESSEE; such non-structural alterations may include, but are not limited to, re-keying of interior doors, erection of signage in the curtilage, and painting of mural artwork on stucco exterior surfaces; any structural alteration, be it removal or addition, shall be subject to approval in writing by LESSOR.
9. It is further understood and agreed that failure on the part of either party to comply with THE TERMS AND CONDITIONS of this Lease as set forth above shall constitute grounds for termination of this Lease and, at the option of either party, such notice of intent to terminate shall be delivered in writing thirty (30) days in advance of the intended effective date of termination.

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: June 3, 2013
Presenter: Commissioner John Fletcher
Attachment: No

ITEM TITLE: EQUIPMENT AT OCRACOCKE CONVENIENCE SITE

SUMMARY: Commissioner Fletcher will discuss items of concern to include equipment at Ocracoke Convenience Site and the Ocracoke chipper.

RECOMMEND: Discussion.

Motion Made By: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Motion Seconded By: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Vote: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: June 3, 2013
Presenter: County Manager Bill Rich
Attachment: Yes

ITEM TITLE: PROJECTS UPDATE

SUMMARY: Manager Rich will present update on various projects on-going in Hyde County.

- a) Silver Lake Mooring field
- b) Roof Repairs – Government Center and Public Safety Center
- c) Hurricane Irene FEMA Update – 2nd Appeal Letter
- d) Request for Public Water on several lots on Ocracoke
- e) ECB Building Update
- f) Community Center repair/ Ocracoke Occupancy Tax
- g) NC20 Update
- h) Airport Farm Lease Agreement Renewal

RECOMMEND: Receive report. Action if requested.

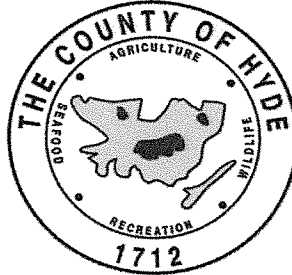
Motion Made By: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Motion Seconded By: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

Vote: ☐ Barry Swindell
☐ Dick Tunnell
☐ Anson Byrd
☐ John Fletcher
☐ Earl Pugh, Jr.

COUNTY OF HYDE

30 Oyster Creek
PO Box 95
SWAN QUARTER, NORTH CAROLINA 27885
252-926-4372
252-926-3701 Fax



May 30, 2013

Gentlemen,

In this envelope you will find the first few steps toward making the Silver Lake Mooring Field a reality.

It starts with a map of Silver Lake and the application for the Army Corp of Engineers. I hope to have two 11 x 17 maps by the June 7th meeting. If the Corp approves the location then we move onto CAMA.

While we are waiting on the Army Corp of Engineers we will need to get an ordinance in place to handle the removal of abandoned and currently immobile vessels within the harbor. You already have one version of an ordinance and there is another from the Town of Carolina Beach with this sent of papers. I have attempted to follow what they did and tweak it to give a general idea of what I think you may want. It still needs work. You will find a copy of the Hyde County Noise Ordinance also. There may need to be a portion of this included within the mooring ordinance.

I have looked at a few places with mooring field online and find that two situations exist. The mooring field is generally owned by the county/city and there is usually a harbormaster; either contracted or county/city employed. The harbor master can be law enforcement certified or not. He/She does need to have the authority to back up what needs to be done as far as enforcing the rules and regulations of the Mooring Field Ordinance.

I have included two more maps provided by the Tax Department for doodling on to see where the best spot for the mooring field would be prior to submittal to the Corp.

Then comes the grant funding section. The BIG (Boating Infrastructure Grant) seems to be the best fit for what I think you want to do. If there are others out there please let me know where to look.

I am still looking and reading about mooring fields so that I will have hopefully more information by the meeting on June 7th at 4:00 pm at the Community Building.

I can be reached with questions or comments at 252-926-4372 Monday thru Friday from 8 to noon and at all times on my cell 252-943-4113.

I look forward to starting this project with you.

A handwritten signature in cursive script, appearing to read "Jane Hedges". The signature is written in dark ink and is positioned below the text "I look forward to starting this project with you."